UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS

BERKSHIRE HEALTHCARE SYSTEMS, INC.,

Plaintiff,

v.

CIVIL ACTION NO. 05-CV-30031-KPN

ROYAL & SUN ALLIANCE,

Defendant.

REPLY TO DEFENDANT'S COUNTERCLAIM

Plaintiff Berkshire Healthcare Systems, Inc. ("BHCS") replies to the Counterclaim of Defendant Royal & Sun Alliance ("Royal") as follows:

- 1. Plaintiff denies knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 1.
 - 2. Plaintiff admits the allegations in Paragraph 2.
 - 3. Plaintiff admits the allegations in Paragraph 3.
 - 4. Plaintiff responds by making reference to the language of the Policy itself.
 - 5. Plaintiff denies that the premium demanded by Security is currently due.
- 6. Plaintiff admits that BHCS has not paid the premium that Security has demanded, but denies the remaining allegations in Paragraph 6.

WHEREFORE, BHCS respectfully requests that the Court dismiss the Counterclaim of Defendant, with prejudice, and award costs and such other relief as the Court deems just and appropriate to Plaintiff Berkshire Healthcare Systems, Inc.

Respectfully submitted,

BERKSHIRE HEALTHCARE SYSTEMS, INC., Plaintiff

By its attorney,

/s/ Lucy Prashker

Lucy Prashker (BBO# 405580) CAIN HIBBARD MYERS & COOK, PC Attorney for the Plaintiff 309 Main Street Great Barrington, MA 01230 (413) 528-4771 (413) 528-6973 (fax)

Dated: May 17, 2005